

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



December 20, 2002

ALL COUNTY INFORMATION NOTICE NO. I-95-02

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL FOOD STAMP COORDINATORS
ALL WELFARE TO WORK COORDINATORS
ALL CHILD CARE COORDINATORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF THE 60-MONTH TIME LIMIT AND SAFETY NET PROGRAM IN THE CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM

REFERENCE: ALL COUNTY LETTERS (ACLs) 99-90 AND ERRATA, 00-48, 01-03, 01-66, 02-33, 02-66, 02-70, 02-91, 02-92; ALL COUNTY INFORMATION NOTICES (ACINs) I-52-99, I-47-02, I-58-02, I-67-02; AND COUNTY FISCAL LETTERS (CFLs) 01/02-31, 02/03-29

This notice provides information to county welfare departments (CWDs) related to implementation of the CalWORKs 60-month time limit and Safety Net program. It reiterates and clarifies existing program requirements, including those related to time tracking, calculation of Safety Net grants, extender exceptions, and optional vouchers to Safety Net cases. It also discusses the availability of CalWORKs and other program benefits for Safety Net families.

BACKGROUND

Under federal welfare reform, states are prohibited from using federal Temporary Assistance to Needy Families (TANF) funds to provide assistance to a family that includes a head of household or spouse of a head of household who has received TANF-funded assistance for a total of 60 cumulative months. California's cash aid recipients began reaching that fiscal limit in December 2001, and counties were instructed by ACL 01-66 and County Fiscal Letter (CFL) 01/02-31 to shift the TANF timed-out cases to new aid codes to claim expenditures to the appropriate funding source.

Effective January 1, 1998, California implemented its state TANF program, CalWORKs, which provided for a state 60-month time limit on receipt of aid for parents, aided non-parent caretaker relatives, and aided stepparents. No month of aid received by a

recipient prior to January 1, 1998, is counted toward that individual's CalWORKs time limit. The first recipients to reach the CalWORKs 60-month time limit will do so on January 1, 2003. Counties were instructed by ACL 02-66 and CFL 02/03-29 to shift the CalWORKs timed-out cases to new aid codes to claim expenditures to the appropriate funding source.

Since California law limits adults to 60 cumulative months of CalWORKs cash assistance, any adult who has received 60 countable months of aid will be discontinued and removed from the AU, unless that adult qualifies for a "time extender" exception (see below). While some states discontinue cash aid to the entire family when the family reaches the state's time limit, California applies time limits to the adults only. Therefore, aid continues under the Safety Net program for children who remain otherwise eligible for CalWORKs when the timed-out adults have been removed from the AU.

TRACKING RECIPIENT TIME-ON-AID

In order to implement the CalWORKs time limit, it is critical that CWDs accurately determine each individual adult recipient's time-on-aid (TOA). As discussed in ACL 01-03, counties must review case records to verify the accuracy of time limit tracking information before taking action to discontinue the adult's aid due to timing out. The Welfare Data Tracking Implementation Project (WDTIP) system, which was specifically designed to track each individual recipient's TOA, will help counties identify recipients who are nearing the limit. However, until each county's data has been input into WDTIP and data in the system is validated, counties must also use information from case records and county automated systems to determine that recipients have reached the 60-month limit.

As described in ACIN I-58-02, CWDs will need to continue sharing TOA information through their WDTIP county contacts to ensure that the 60-month time limit is applied on the basis of complete and accurate data on each recipient.

Information on out-of-state time limit tracking is being provided to CWDs in another ACIN, which includes contacts in other states for county workers to get TOA information.

CALCULATION OF GRANTS FOR TIMED-OUT RECIPIENTS

As released in ACL 02-33, dated May 1, 2002, existing regulations set specific requirements for calculation of grants for the cases of CalWORKs timed-out individuals. Manual of Policies and Procedures (MPP) Section 44-133.8 specifies requirements for treatment of income and needs for adults who have been removed from the assistance unit (AU) due to reaching the CalWORKs 60-month time limit. These requirements are as follows:

- Parents - The net non-exempt income (NNI) of timed-out parents who are living in the home and are otherwise required to be in the AU, shall be considered

available to the AU. The needs of these parents shall not be considered when calculating the grant for the aided AU members.

- Non-parent Caretaker Relatives – Timed-out non-parent caretaker relatives living in the home are no longer eligible to be optional AU members, and their income and needs shall not be considered when calculating the grant for the aided AU members (MPP Section 44-133.82).
- Stepparents – Timed-out stepparents who are living in the home and are not required to be in the AU, are no longer eligible to be optional AU members, and their NNI and needs shall be treated in accordance with MPP sections 44-133.51 and 44-133.511.

For timed-out adults whose income must be considered in the AU's grant computation, NNI shall be determined as required in MPP Section 44-113.2.

The following examples illustrate the calculation of safety net grants for the families of timed-out adults:

Scenario: The AU includes a mother and her two children, and the mother has earned income of \$1,000. When the mother reaches the 60-month time limit and is removed from the AU, her income is still considered in the grant calculation, but not her needs.

Grant Calculation Before Adult Reaches Time Limit		Grant Calculation After Adult Reaches Time Limit	
Earned Income of Aided Parent	\$1000.00	Earned Income of Timed-out Parent	\$1000.00
<u>Less Income Disregard</u>	<u>-225.00</u>	<u>Less Income Disregard</u>	<u>-225.00</u>
Subtotal	\$ 775.00	Subtotal	\$ 775.00
Less 50% Earned Income Disregard	<u>-387.50</u>	Less 50% Earned Income Disregard	<u>-387.50</u>
Net Income (rounded)	\$ 387.00	Net Income (rounded)	\$ 387.00
MAP for Family of 3	\$ 679.00	MAP for Family of 2	\$ 548.00
<u>Less Net Income</u>	<u>-387.00</u>	<u>Less Net Income</u>	<u>-387.00</u>
Grant for Pre-Time Limit Family	\$ 292	Grant for Post-Time Limit (Safety Net) Family	\$161

Scenario: The AU includes a mother, her husband (aided stepparent), and her child. The family's only income is \$1,000 earned by the stepparent. When the stepparent reaches the 60-month time limit and is removed from the AU, his income and needs are still considered in the grant calculation.

Grant Calculation <u>Before AND After</u> Stepparent Reaches Time Limit	
Earned Income of Stepparent	\$1000.00
<u>Less Income Disregard</u>	<u>-225.00</u>
Subtotal	\$ 775.00
Less 50% Earned <u>Income Disregard</u>	<u>-387.50</u>
Net Income (rounded)	\$ 387.00
MAP for AU of 3 (includes needs of stepparent)	\$ 679.00
<u>Less Net Income</u>	<u>-387.00</u>
Potential Grant	\$ 292.00
MAP for AU of 2	\$ 548.00
Grant for AU will be the lesser of Potential Grant or AU MAP	\$292

Scenario: The AU includes a needy grandmother and her two grandchildren, and the grandmother has earned income of \$300. When the grandmother reaches the 60-month time limit and is removed from the AU, neither her income nor her needs are considered in the grant calculation.

Grant Calculation Before Caretaker Relative (CR) Reaches Time Limit		Grant Computation After Caretaker Relative (CR) Reaches Time Limit	
Earned Income of CR	\$300.00		
<u>Less income disregard</u>	<u>-225.00</u>		
Subtotal	\$ 75.00		
Less 50% Earned <u>Income Disregard</u>	<u>-37.50</u>		
Net Income (rounded)	\$37.00		
MAP for AU of 3	\$679.00	MAP for AU of 2	\$548.00
<u>Less Net Income</u>	<u>-37.00</u>		
Grant for Pre-time Limit Family	\$642	Grant for Post-time Limit (Safety Net) Family	\$548

OPTIONAL VOUCHER/VENDOR PAYMENTS FOR SAFETY NET CASES

Existing regulations in MPP Section 44-307.52 give CWDs the option to provide cash or issue voucher/vendor payments to aid safety net cases when the adult(s) is removed from the AU after reaching the CalWORKs 60-month time limit. (See ACL 99-08, dated February 8, 1999, for guidance on vouchers to landlords in cases of landlord/tenant disputes.)

STATE HEARINGS – AID PAID PENDING

A recipient who files a timely state hearing request appealing a county's action to apply the CalWORKs 60-month time limit is eligible for aid paid pending the hearing. If the hearing decision is against the claimant, any aid paid pending above the eligible amount will be considered an overpayment.

TIME LIMIT EXTENDER EXCEPTIONS

The CalWORKs 60-month time limit does not apply to any individual(s) when all parents, aided stepparents, and/or caretaker relatives in the AU meet an extender exception, as described in MPP Section 42-302.11. In cases with one parent/caretaker relative, the exception is applied if the timed-out individual meets the exception. However, in cases with more than one aided adult, both the timed-out individual and the other aided adult(s)

must meet an extender criterion in order for the timed-out individual to receive the exception.

Existing regulations in MPP Section 42-301.114 include standards for counties to use in determining whether timed-out individuals qualify for the exception for those who have a history of participation and cooperation with welfare-to-work requirements, but who are found to be unable to maintain employment or to participate in welfare-to-work activities.

Extender exceptions apply at any time that timed-out individuals meet exception criteria. Therefore, it is possible that a timed-out recipient will regain eligibility for aid by later meeting an extender exception after they have been out of the AU for a period of time due to the time limit. If the timed-out adult is discontinued due to the CalWORKs 60-month limit and later reinstated when she/he meets an extender criterion, CWDs will need to move the case out of the safety net aid code (3A or 3C) and into the appropriate code for a case in which the adult(s) is not timed-out. Pre-time limit grant calculation rules are then used. For example, a two-parent case is moved to safety net aid code 3C when both parents reach the CalWORKs 60-month time limit, and the grant is calculated as described under "Calculation of Grants for Timed-Out Recipients," above. If the parents later qualify for an extender, the case is moved back into aid code 35, and the grant is calculated in accordance with pre-time limit rules.

ELIGIBILITY FOR OTHER PROGRAM BENEFITS

The CalWORKs 60-month time limit does not affect eligibility for other programs, with the exception of county general assistance as explained below.

Food Stamps

When the CWD removes the CalWORKs timed-out adult from the AU, it does not affect the adult's eligibility for Food Stamps Program (FSP) benefits. The FSP allotment for the household may even increase due to the decrease in cash aid to the AU. However, FSP households in which the timed-out parent(s) has been removed from the CalWORKs AU, lose their categorically eligible (CE) status. Under current policy as described in ACIN I-30-02, all members of the food stamp household must receive, or be authorized to receive, benefits from TANF, or a state-funded program (i.e., CalWORKs), to be considered public assistance (PA) households that are CE.

Medi-Cal

It is important that counties ensure medical benefits continue without interruption for CalWORKs timed-out recipients. These recipients must remain eligible for Medi-Cal-Only under the Section 1931(b) program (under aid code 3N), until their next scheduled annual redetermination unless they have a change in circumstances impacting Medi-Cal eligibility. For additional guidance regarding continued Medi-Cal eligibility, please refer to ACWDL 01-36, issued by the Department of Health Services (DHS) on June 19, 2001

and Medi-Cal Eligibility Branch Information Letter No. I-02-10 which is in the process of being released by DHS.

Welfare-to-Work (WtW) Grant Program

The Department of Labor WtW Grant Program augments the CalWORKs program by offering an array of services to the hard-to-employ CalWORKs recipients, non-custodial parents, youth (ages 18 to 24) who have been or are currently in foster care, custodial parents with income below 100 percent of the poverty line, and former CalWORKs recipients no longer receiving TANF/CalWORKs assistance due to reaching the state 60-month time limit on aid. The WtW Grant program provides services to assist in transitioning hard-to-employ individuals into unsubsidized employment and self-sufficiency. WtW Grant program activities include:

- Public and private sector jobs
- On-the-job training
- Six months of vocational education training
- Job readiness, job placement, and post-employment services
- Paid community service and work experience (WEX)
- Job retention or supportive services, such as child care and transportation assistance

WtW Grant services will be available in California until July 15, 2004.

General Assistance (GA)

Under current law (Welfare and Institutions (W&I) Code Section 17021), CalWORKs recipients who have lost their eligibility for CalWORKs due to reaching the 60-month limit are not eligible to receive county GA program benefits. These individuals remain ineligible for GA benefits (except for health care), until all children for whom they received CalWORKs aid reach age 18, whether or not the children are living in their home. This restriction does not apply to health care benefits provided under county GA programs.

AVAILABILITY OF OTHER SERVICES

Services for Former CalWORKs Recipients

The provision of CalWORKs services, other than child care, to former CalWORKs recipients – both before and after they have reached their CalWORKs 60-month time limit – is optional for counties. Former recipients who have received aid within the previous 12 months and are employed may receive job retention services (based on W&I Code Sections 11323.2(b) and 11500) both before and after reaching their CalWORKs 60-month time limit. These services may be provided for up to the first 12 months of employment after leaving aid to the extent that they are not available from other sources and are needed for the individual to retain employment. Counties may determine the duration and types of services to provide, including the reimbursement rate for

supportive services such as transportation. Job retention services to former recipients may be provided without a community service requirement.

Additional welfare-to-work services, including, but not limited to, case management and supportive services, may be provided to employed or unemployed individuals who have reached the 60-month time limit (based on W&I Code Section 11320.15). However, counties must require individuals who receive these services to participate in community service to the extent it does not interfere with the individual's employment. Counties may also determine who is eligible for the services; the duration and types of services provided; the reimbursement rate for supportive services, such as transportation; and participation requirements for activities, including those for community service, which must continue to be performed in the public and/or private nonprofit sector. The Simplified Food Stamp Program minimum wage calculation, pursuant to MPP Sections 42-711.93 and .94, also continues to apply to these community service activities. (See ACL 02-92, dated December 3, 2002.)

Child Care

Child care is provided to former recipients through CalWORKs Stage I or Stage II child care for up to 24 months after the adult leaves cash aid for any reason, as long as they need it in order to participate in work, training, or education, and their income and the age of their child(ren) are within the eligibility limits. Child care is also available to an individual after the CalWORKs 60-month limit is reached, under the same circumstances. The 24-month limit on child care is not cumulative, but consecutive, and it begins again every time the individual leaves aid. Example: An individual, who leaves aid on December 31, 2002, must use any of the 24 months of child care by December 31, 2004. However, if this individual returns to cash aid for a period of time (before or after December 31, 2004), the 24-month period will start over when he/she again leaves aid.

After reaching their 24-month child care time limit, and if funding is available, these former recipients are transitioned into Stage III child care. These families may then receive child care subsidies until their children reach age 12 or the family's income exceeds 75 percent of the State Median Income.

CONTACTS

If you have questions or comments on time limit issues, please contact the following individuals for the subject areas listed:

- General 60-month time limit policy and time limit tracking – Charissa S. Miguelino, 916-657-3665, cmigueli@dss.ca.gov
- Treatment of income and needs for timed-out individuals – Terry Mallin, 916-653-8395, tmallin@dss.ca.gov

- Voucher/Vendor payments – Paulette Stokes, 916-654-3386, pstokes@dss.ca.gov
- WDTIP – Lori Christensen, 916-657-2361, lchriste@dss.ca.gov
- Extender for inability to work/participate – Randy Shiroy, 916-654-1527, rshiroy@dss.ca.gov
- WtW Grant Program – Pat Loader, 916-654-1770, ploader@dss.ca.gov
- Welfare-to-work services post time limits – Audrey King, 916-654-0946, aking@dss.ca.gov
- Child Care – Blaise Keenan, 916-657-4421
- Supportive Services – Call 916-654-1424 and request your county analyst
- Food Stamps – Robert Marlow, 916-654-1898, rmarlow@dss.ca.gov
- Medi-Cal benefits – Mack Guynn, 916-657-1064, mguynn@dhs.ca.gov

Sincerely,

*Original signed by
Maria Hernandez for
Charr lee Metsker*

CHARR LEE METSKER, Chief
Employment and Eligibility Branch

c: CSAC
CWDA